

Assemblyman  
**PAUL KORETZ**

**Forty-second Assembly District**

*proudly representing the communities of West Hollywood, Beverly Hills, Los Angeles, Century City, Westwood, Bel Air, Brentwood, West Los Angeles, Hollywood, Hancock Park, Universal City, Studio City, and Sherman Oaks*



**FOR IMMEDIATE RELEASE**

**Contact: Teresa Stark**  
**916-319-2042**  
**916-715-2203 (cell)**

## **KORETZ PROPOSES REFORMS TO ADDRESS THE COST OF RENTAL HOUSING --**

*AB 1256 seeks to return control to local jurisdictions*

Sacramento – Alarmed by the spiraling cost of rental housing in Los Angeles County and across the state, Assemblyman Paul Koretz (D-West Hollywood) has introduced AB 1256, the Rent Control Act of 2003. This legislation will address the impact of high rental costs on low income and senior citizen renters by returning control of setting rents in certain units to local jurisdictions.

AB 1256 addresses the most disturbing aspects of the Costa-Hawkins Rental Housing Act, which currently governs this area of housing law. Signed into law in the early 1990's by then-Governor Pete Wilson, Costa-Hawkins instituted a policy known as vacancy decontrol, which allows owners of units in rent controlled communities to establish the initial and subsequent rents when there was a change in occupancy in a dwelling unit. Before passage of Costa-Hawkins, cities with rent control ordinances were able to set the maximum allowable rent for units being rented within their jurisdiction along with other measures to keep the cost units affordable.

Under Koretz's legislation, the control of rental rates of residential units would revert to the local jurisdiction once the building was 26 years or older. If, upon the effective date of AB 1256, the age of the building was 25 years or less, the owner would be able to set the initial and subsequent rental rates upon vacancy so that the owner is assured of a return on his investment.

"The effects of Costa Hawkins have been disastrous, especially in how it has affected the cost of rental housing in well established communities," said Koretz. He further explained that as a Councilman in the City of West Hollywood, he witnessed first hand the dilatory effects of Costa-Hawkins on the City's residents, a high percentage of whom live in rental units. "Once vacancy decontrol was instituted in the City of West Hollywood, the whole city started to change," explained Koretz.

--NEXT--

Upon the vacancy of units, landlords were able to raise the rent to whatever the market would bear, essentially eliminating the ability for low and moderate income seniors to move into West Hollywood. "If we do not address this issue now," explained Koretz, "these senior renters, who led the Cityhood drive 20 years ago and once were almost twenty-five percent of our population, will eventually disappear. Ever since the inception of Costa Hawkins, the character of solid residential communities such as West Hollywood has changed."

Senator David Roberti, who was the President Pro Tem of the California State Senate in the late 1980s, explains that skyrocketing real estate costs and the inability of localities to control rent have caused massive unexpected rent increases and have resulted in workers in the larger metropolitan areas of the state being unable to live near their jobs. As well, the elderly and poor are restricted from being able to live near transportation and social service networks or to live in the communities where their friends and relatives still reside. "New construction is great," said Senator Roberti, "but it does nothing for a senior citizen renter who wants to live in her old community, and the construction of "affordable" new housing is taking place 50 miles away where land costs are cheap."

Acknowledging that reforming the Costa-Hawkins vacancy decontrol statute will be an uphill battle, Assemblyman Koretz says that its time to revisit the issue of vacancy decontrol.

AB 1257 was introduced by Assemblyman Koretz on February 21, 2003, and may be heard in committee as early as March 25, 2003.

###